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CENTRAL INTELLIGENCE BULLETIN

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France: [Projected large-scale dismissals by a US-controlled French firm could have serious consequences for American business in France.]

[The computer firm Machines Bull, control of which General Electric acquired two years ago, is suffering heavy losses. The company is considering laying off up to 1,200 of its employees beginning next month. The French Government is expected to be particularly sensitive to such a move because it had originally opposed the American take-over and acquiesced only after it became clear that there was no other way to save the company.]

[Paris continues to have a vital interest in assuring national sufficiency in computer production. It would see the layoffs as an attempt by GE to place its own interests before those of France. The French have suspected that GE's prime interest in buying into Bull was to acquire a ready-made international distribution network. Paris might respond to layoffs by imposing broad restrictive measures on foreign investments.]

[In 1964-65, following the take-over of the Simca firm by Chrysler and the closing of a large French subsidiary of Remington-Rand, Paris hardened its requirements for US investment in France and in certain instances required cabinet-level approval. The policy was later relaxed.]

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*Guinea: President Toure has invoked strong punitive measures against US interests in Guinea.

In retaliation for alleged US responsibility for the recent detention of Guinea's OAU delegation by Ghana, the Conakry regime yesterday ordered the expulsion of all Peace Corps Volunteers by 15 November and requested the recall of US Embassy officials responsible for firing four local employees on 7 November. The government also called for suspension of USIS activities, termination of Pan American Airways landing rights in Conakry, and removal of unspecified "provocative" technicians and employees of commercial firms. These measures stop short of a full break with the US, however, and several high Guinean officials have given assurances that no Americans would be harmed and that an orderly evacuation would be facilitated.

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At a rally on 8 November, Toure delivered a diatribe reminiscent of his 1958 speeches when he broke with France and was at the height of his domestic popularity. He may now be trying to shore up his political position at a time when the balance of power within the regime is shifting. In doing so, he appears to have yielded to party pressures for a return to a "revolutionary" line and to his own proclivity to believe reports of "imperialist" plotting.

The specific targets selected for retaliation suggest that elements influencing Toure's decision include upcountry party militants, youth and labor leaders, and certain political figures, including Foreign Minister Beavogui who has issued several inflammatory accounts of his detention. In addition, Guinea's recently formed popular militia played a prominent role in last week's anti-American activities and several observers have noted increased Communist Chinese activity in Guinea this month.

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